

**BOGOTA CHAMBER  
OF COMMERCE**



**COLOMBIA:**

**THE HORIZON IS  
CLEARING UP**

---

**BOGOTA - 1988**



CARDEN DE COMERCIO  
DE BOGOTA

Top, CC80281

012



07003

# BOGOTA CHAMBER OF COMMERCE



COMERCIO DE BOGOTA

Dirección de Planeación y Desarrollo

de Información Económica Social de Bogotá

CIEB

BIBLIOTECA

CONTENTS

COLOMBIA: THE HORIZON IS  
CLEARING UP

## COLOMBIA: THE HORIZON IS CLEARING UP

Biblioteca - CIEB -

No. Inventario 7003

Fecha Ingreso 18 | 10 | 96  
DIA MES AÑO

Precio \$ 500 No. Ejemplares 20

THE NEW REGULATION ON  
FOREIGN INVESTMENT IN  
COLOMBIA

Bogotá, January 1988

SOCIO-POLITICAL ASPECTS

# COLOMBIA: THE HORIZON IS CLEARING UP

## CONTENTS

### COLOMBIA: THE HORIZON IS CLEARING UP

- The economy:  
an overview at the 80's
- 1986: an exceptional year
- 1987 outlook

### HOW TO EXPORT TO COLOMBIA

- Importation policies
- Import licenses and registrations validity

### THE NEW REGULATION ON FOREIGN INVESTMENT IN COLOMBIA

### SOCIO-POLITICAL ASPECTS







## **COLOMBIA: THE HORIZON IS CLEARING UP**

As you can see on the map, Colombia has a privileged geographic location. The country has coasts on the Pacific and Atlantic Oceans, has a variety of climates and an enormous amount of natural resources that range from very important oil deposits, coal, nickel, gold and other minerals and precious stones, to a wide variety of land and cattle products, and a population of 28 million inhabitants that comply with the vital imperative of every country of "progress suffering" as it was once said by a humble school teacher who became President of the Republic in 1928, thanks to one of the oldest and most stable democracies in Latin America.

### **The economy: an overview of the 80's**

During the 80's, Colombia has overcome big changes and difficult situations. From the macro-economic point of view, 1980 was the epilogue of a very favorable period, the 70's during which our economy had an average annual growth of 5%. In 1981 the nation suffered the inevitable impact of the world recession, mainly due to the protectionist politics adopted by the industrialized countries, which affected the commerce of basic goods and raw materials.

The crisis caused a fast decrease on Colombian exports which lowered from US\$4.296 million in 1980 to US\$3.147 million in 1985, and also reflected on the following important aspects:

- a. The theory that "Colombia was a good customer, but was in a bad neighborhood" had a negative effect on the flows of external credit to the country and made national economy change from importer to net exporter of the capital; and
- b. The deterioration of the balance of payment accelerated the international reserves impairment.

The continuous changes and the need to modify the reluctancy of the international banks to grant new credits, made the National Government adopt the Plan of Selfdiscipline for Development, a commitment that changed the International Monetary Fund orthodoxy.

This adjustment Plan had, as main goals, the stabilization of the external front to equilibrate the commercial balance and avoid the loss of foreign currency and reduce the growing deficit spending. In this context, new encouraging policies were imposed on exports; imports strongly restricted, and the rate of devaluation was accelerated, in order to correct the delayed rate of exchange in the country. In the fiscal area, a policy of public expenditure was put into practice trying to increase the income through the increase of the taxable base, the creation of new taxes and customs duties, an increase of the fare of public services and the gradual reduction of subsidies.

In the monetary and financial field, Colombia tried to obtain growth rates in the means of payment that were compatible with the low inflation levels.

The results of this Plan of Adjustment can be seen in the evolution registered between 1984 and 1985.



In the external field the devaluation was fixed at 28.3% for 1984, and 51.2% for 1985, and this made the exchange rate go back to the 1975 levels during this last year. The exports increased to US\$3,623 million in 1984 and US\$3,883 million in 1985. Imports were reduced to US\$4,027 million in 1984 and US\$3,773 in 1985, with a decrease of 9.8% and 7.3% for the two years respectively. With all this, the commercial deficit of the balance of payment was reduced to only US\$404 million in 1984 and a surplus of US\$149 million was obtained in 1985, the first of the decade.

The international reserves stop lowering, and actually increased from US\$1,795.5 million in 1984 to US\$2,067.4 million in 1985, with a growth of 15.1%.

In the fiscal field, the deficit, on a proportion of GNP, was 4.2% in 1984 and 2.6% in 1985, which was considerably lower than 7.6% in 1983. The public investment was 10% of GNP in 1985, regardless of the Adjustment Program, similar to the preceding years, which shows that the correction of the deficit was mainly made through a greater income and less expenditure.

The proposed and adopted profile of adjustment was, therefore, successful and complied with the desired goals. Nevertheless, it had two important consequences: it did not accomplish the expected economic reactivation, since the adjustment profile chosen was recessive and not expansive and, the social cost was high.



## 1986: an exceptional year

The economic conditions during 1986 were exceptionally favorable and allowed a fast economic growth. The EXTERNAL SECTOR was again in charge of promoting the internal activity.

### a. External sector: the key to success

In 1986 exports increased substantially, getting up to US\$5,638 million, 45.2% more than in 1985.

This variation was mainly due to the BONANZA CAFETERA, caused by the increase on the international price of coffee, which was an effect of the drought that affected Brazil in 1985. The external price of coffee reached US\$1.41 per pound in October 1985, and US\$1.78 per pound in 1986. Simultaneously, there was an increase of the total volume of exported coffee.

Along with coffee, the recovery of world economy had a positive effect on exports of oil and by-products, coal and ferronickel, among others.

On the other hand, imports increased in only 1.8% reaching up to US\$3,800 million in 1986.

The final result was a *quite high surplus in the commercial balance*, up to US\$1,838 million, which permitted the balance of payments to report, for the first time during the decade, a surplus of US\$508 million to compensate the services account which was

traditionally negative. This also permitted a net increase of US\$1,446 million on the international reserves, thus having a balance of US\$3,500 million by December 31, 1986.

b. Economic growth

The projection of the external sector produced, without a doubt, greater income and greater aggregate demand, and had a favorable effect on the domestic economic activity. The economic growth, as a whole, was 5.3%, measured by the total GNP growth, and has been the greatest annual rate during the decade. At present, the growth during 1987 is calculated to be 5.5%. The most dynamic performance was, the same as in other years, in the mining industry, which grew a 23%, followed by a positive recovery of the manufacturing industry (6.0%) and the farming sector (4.0%).

c. Deficit expending

The efforts made by the Government to reduce the deficit expending on the public sector continued to be successful. In 1986, the deficit constituted only the 1.4% of PIB, which was lower than: 6% of 1985.

d. Inflation

The growth on the index of prices was 20.9% in 1986; almost 2 points under the one recorded in 1985. This was due to the increase of the national production of food, as shown by the positive growth of the land and cattle sector (4.0%).



The acceptable result of the rate of inflation was also a consequence of the control that the monetary authorities had on the means of payment, due to the possible overflow, which is a result of the increase of foreign currency caused by the BONANZA CAFETERA and the greater exports of oil and coal. By the end of the year, the means of payment grew a 22.8%, a lower percentage than the 28.2% of 1985.

The minimum wage increased in a 24% at the beginning of the year showing an increase in the real income of 1.55%. For the period from January to October, the increase of the average real wage was 4.23%.

The rate of unemployment had a slight decrease from 13.0% in December 1985 to 12.5% in December 1986. The reduction of this concerning tendency of unemployment was due mainly to the high rate of economic growth, that according to the data from DANE, contributed to the creation of 193.000 new jobs in Colombia. This important fact agrees with the conclusions drawn by the Chenery Mission, which state the reduction of the unemployment rate if the national economy is placed "in a path of fast growth"<sup>1/</sup>.

---

1/ Chenery, Hollis (Director). Employment Mission: Final Report. July 1986, chapter 9, p. 2 and others.



## 1987 Outlook

The conditions of Colombian economy began to change at the end of 1986, and during 1987 have been within the following framework:

- a. The end of the so called BONANZA CAFETERA and the reinitiation of the system of quotas during the International Agreement on Coffee, facts that have caused the normalization of the market of coffee.
- b. The existence of an economy already adjusted to the fiscal field.
- c. The discouraging perspectives in the international market for raw materials coming from the developing countries due to the development of the industrialized nations and to the technological processes that reduce the oil consumption, substitute basic natural products for synthetic elements, and weaken the demand of metals<sup>1/</sup>.
- d. The decrease of the possibilities of the United States to reduce their huge commercial deficit by increasing exports to Federal Germany and Japan, thus making them adopt a much more protectionist policy "whose main victims would be the less developed countries, exporters of manufactures<sup>2/</sup>.

---

1/ Roberts, Gerald. World Economy in 1987 (I)  
Nueva Frontera No. 619 February 9-15, 1987, p. 34.

2/ Roberts, Gerald. World Economy in 1987 (II)  
Nueva Frontera No. 620 February 16-22, 1987,  
p. 29

- e. The possible decrease of recessive elements, especially the reduction of the difficulties to enter the financial markets.

In fact, it is an honor for Colombia, the recent explicit recommendation made by the International Monetary Fund, before the Multilateral and Private Banking, saying that Colombia is one of the few nations in the Continent, eligible, without any doubt, to be the beneficiary of important credits.

- f. To put into effect the "plan of rehabilitation" and the "fight against the absolute poverty", President Barco's Government needs a high financial aid, besides the practical development of already adopted measures such as the reform on the tax system.

- g. Colombia expects an improvement on the supply of oil and coal, which can be enforced by the recent discoveries of gold.

- h. As a whole, the total exports of the country will be reduced in a 14.5%, with a loss of more than US\$800 million. We also expect, that the imports will increase in almost a 12%, given the needs of provisioning that the country has.



## HOW TO EXPORT TO COLOMBIA

The first step, before making a decision to export, is that the exporter knows the regulations about the inherent costs to an exportation to Colombia.

Besides that, and before making any commercial contact in our country, the exporter must gather all the possible information about the product, the purchasers market and its specific conditions. That information ought to conclude with an optional list of the purchasers of the product or products to export.

Due to the vital importance of getting commercial information in this specific field, the Chambers of Commerce play an important role. The Bogotá Chamber of Commerce for instance, has a complete commercial information network, where you can find Colombian importers, exporters and producers, as well as information about international supply and demand. Our Chamber, through the Commercial Vicepresidency, in order to fulfill all the requirements of the enterprisers, trading companies, agencies or people at international and national level, interested in the international trade area, works hard and gives this kind of commercial information during all year long.

Our action is oriented to promote domestic and international trade, activating the exchange of goods and services and aiding in the removal of obstacles to the commercial activity.

Besides, and to increase the commercial vision of our affiliates and national and international users in general, our services also provide assistance on the following subjects:



- Institutional and legal regulations of the Colombian Foreign Trade.
- Import and export statutes.
- Resolutions and notices about commercial policy, foreign trade, financing, etc., issued by the governmental agencies.
- Import licenses, daily approved and denied.
- Incentives to exports.
- Custom procedures.
- Marketing profiles.
- Custom information from the United States and some countries of the Andian Group.
- Information about national and international fares.

As a complement to the previous information, our Chamber develops advisory activities (seminars, courses, forums, etc.).

Likewise, besides the Chamber of Commerce, there are government offices, that also give commercial assistance in all countries. In the Colombian case, they are INCOMEX (National Institute of Foreign Trade) Cra. 28 No. 13A-15 piso 6o. Direction of Commercial Policy, Dra. Dorotea Laserna, Director, Telephone: 2831701 Bogotá and PROEXPO Cra. 28 No. 13A-15 piso 4o., Dr. Mauricio Pérez, Promotion Assistant Manager, Telephone: 2690777, Bogotá.

On the other hand, if you wish to export through an agent or representative of your company in Colombia, you need a third party. He will make his knowledge and experience in the country available to you. He probably knows the target market already. He will be able to guide your products to the right customers, via the right channels of distribution.

You and your partner, along with your knowledge about the product and the market, respectively, will form a strong team, and with such a team

your export operation will have a better chance of success. Since both of you share the same target customer, your interests will be the same. Therefore, it would be wise to consider very seriously an indirect market entry (with the help of a trade partner).

## Import policies

As an important part of economic reactivation, whose principal obstacle is the flagging of foreign and domestic demand, a policy of selective imports has been established by the government. It restricts the imports of nonessential goods and of products that could be produced in Colombia. This substitution process is also intended to stimulate the production of some capital goods. In this context, foreign investment can play an important role.

Therefore, the Colombian rules establish three fields in import policies:

1. Free import policy.
2. Previous import license.
3. Forbidden imports.

### *1. Free import policy*

The products belonging to this chapter do not require the study of the import license by INCOMEX and can be approved directly by its sectionals when the following requirements are fulfilled:

- Reimbursement of the exchange certificate.
- All brand production must be new.



## 2. *Previous import license*

Any good that does not belong to the forbidden import list may be imported, provided that the import license has been previously approved and that it fulfills, at least, one of the following requirements:

- Public need of consumption and creation of job opportunities.
- Increase of the export range.
- Savings of foreign currency.
- Consumer protection.
- Development of industries in the less developed areas of the country.
- Goods not produced in the country.
- Lack of stocks.

## 3. *Forbidden imports*

The products belonging to the forbidden import list are those which may endanger people's health and safety, sumptuary and luxury products, and those which are supplied by the national production at a reasonable price and quantities.

The Colombian customs duty has five thousand forty two classifications:

3.082, a 61.13%, are under the Previous License regulation.

1.904, a 37.76%, are under the Free Import regulation.

56, a 1.11%, are under the Forbidden Import regulation.



At present, the Colombian Government had fixed the eighteen per cent under its CIF value (18% CIF) as an Import Tax for all the products, according to the LAW 75 of December 20th/86 (Ley 75 de diciembre 20/86). The import of some goods requires the approval of some official entities. The importer may ask either the corresponding entity, or INCOMEX for it. It takes from 2-4 working days approximately to get this approval, depending of the entity. Example: it takes the Instituto Colombiano Agropecuario, ICA, which deals with land and cattle, from one to three days to issue the approval certificate. It takes the Health Department from two to four days, and INDERENA issues it in two days.

The entities issuing such approvals are:

- ICA

Animals or raw products from the animal kingdom, seeds and raw products from vegetable origin, food and concentrates for animals, insecticides, fungicides, plaguicides for agricultural use, herbicides, fertilizers, defoliantes, drugs and biological products for veterinarian use and other products for land and cattle activities, as raw materials to manufacture fungicides, insecticides, etc.

- HEALTH DEPARTMENT

Medicine, food, drinks, cosmetics, plaguicides for domestic use, healing and surgical materials, detergents, and all other products that involve individual or collective health or that may be dangerous, due to their contact with the human being, and all other raw materials when manufacturing these products.

Only the National Government, through the Antinarcotic Law Enforcement Department,

may import drugs and substances that produce physical or psychological dependency. Only the Surveillance Division of Biochemical Products is authorized to issue these approvals.

The medical and odontological equipment requires an approval from the Medical Attention Division of such Department.

The natural person or body corporates that import, manufacture or sell products like acetone, chloroform, and ethylic ether must be registered before the Surveillance Division of the Health Department.

## - CIVIL AERONAUTICS

Import requests for airplanes, motors, and aviation spare parts, shall require previous approval from the National Department of Civil Aeronautics, whenever the prices agree with those of the international market, according to the International Price Division of INCOMEX.

Exceptions to these are the imports performed by the Army, the Corporation of Colombian Aeronautics Industry and the parts that correspond to assembling plans approved by the Superintendency of Industry and Commerce.

## - INTRA

Automotor vehicles of more than 9.999 pounds of gross weigh and taxis.

## - MINISTRY OF DEFENSE

Weapons, ammunitions, explosives and products to make explosive mixtures, armored trucks and material to armor cars.



## **NATIONAL ANTINARCOTICS COUNCIL**

The import requests that cover products under customs duty 28.06.01.01; 29.08.01.01; 29.13.01.01 and 38.18.00.00\* must be accompanied by the certificate issued by the Secretary General of the National Antinarcotics Council of the Department of Justice. (Res. 68, December 29/82. C.D.C.E. (C.P. SOI 109/82 and C.P. SOI-07, 1983).

## **NUCLEAR AFFAIRS INSTITUTE**

All items under tariff 28.50.00.00 of customs duty (Radioactive Isotopes).

## **MARITIME AND PORT GENERAL DIRECTION**

Every port authority must have a shipping list of the goods that will be received.

## **INDERENA**

Wild animals and their products (Resolution 883 August 10th, 1973; 290, March 28th, 1978 and 1189 September 11th, 1978) the same as fish from the tariff 03.01. (Resolution 196, July 12th, 1972 of the Ministry of Agriculture).

Acquatic and land fauna import and that of wild flora. Exceptions are the specimen under loans, donations or noncommercial exchange between scientific institutions, existing in Colombia, in the case of the herbarium, other preserved specimens dry or

\* Hydrochloric acid, ethylic ether, acetone, dissolvent.

incrusted from museums and produce of living plants that are authorized by INDERENA (Res. 033/83 C.D.C.E.) (C.P. SOI 21/83).

## - MINISTRY OF COMMUNICATIONS

Broadcasting devices, postal porter machines and cameras, and T.V. equipment.

The following broadcasting equipment also requires approval:

Modern communication control processors, multiplexor circuits, data conmutation equipment, facsimil, computer terminals for entry and/or exit of remote data (without including the central peripheral equipment) and all others that develop communication functions at data transmission nets. (D. 2328 from 1982).

## - MINES AND POWER

All the imports concerning oil and mining companies duly established, and automobiles for official use with more than 2.000 cc.

## - MINISTRY OF EDUCATION

Magazines, booklets, journals and comic strips. Material for Universities or Schools that are non profit organizations in relation to exemption of levies.

## - SUPERINTENDENCY OF INDUSTRY AND COMMERCE

Assembling parts and pieces for the Car Industry, Aeronautics, and Electronic Sectors that develop specific assembling projects.



Negotiations under the Andean Pact are free of those requirements.

#### - MINISTRY OF FOREIGN AFFAIRS

Automobiles imported for diplomatic and foreign consular missions and international organizations credited before the National Government, and for Colombian Diplomats and Consuls that return to the country, as well as cars imported by Colombian officials in international organization, when they return to the country.

#### - TREASURY DEPARTMENT

Machinery devoted to printing stamps for official use.

#### - INCOMEX

By delegation of the Ministry of Development the enterprises Hojalata and Laminados S. A. from Medellín and Corporación de Acero de Bogotá are the only ones registered at the National Production Division that have the appropriate equipment for production of tin and must adopt regulations under D. 1280 of June 30, 1975 on tariff deductions to import plates destined to manufacture sheets, and must obtain approval from the Medellín Regional Office or National Production Division of Medellín or Bogotá, respectively. They should also indicate the width of the sheets in milimeters.

#### - CORPORATION OF EXPOSITIONS AND FAIRS

Merchandise destined to events at the Exposition and Fair Corporation.

## Import licenses and registrations validity

The import licenses and registrations shall have a validity of six (6) months, counted from the 15th day of the month for those issued during the first half of the month, and the last day of the month for those issued during the second half of the month.

The Import Board, in the case of the previous license regulation, and the Assistant Director, in the case of the free import regulation, may authorize due dates different from the ones mentioned before, in the event of justified occurrences, such as Capital Goods and land and cattle products.

The registrations and licenses corresponding to the customs duty 1,2,3,4,7,8,9,10,11,12,15,16,-17,18, 23 and 24 will be valid for 3 months, counted in the way mentioned before.

In order to promote import and export of goods and services, and the creation of industrial and commercial companies, Colombia has created six free zones, which are national public establishments, with their own administration and budget, appointed to the Ministry of Economic Development. The goal of the free zone is to promote foreign trade, create job opportunities, and serve as sources of industrial development in the areas where they are settled, by using human and natural resources, according to official Laws and Decrees.



## THE NEW REGULATION ON FOREIGN INVESTMENT IN COLOMBIA

The new decision 220 of the commission of the Cartagena Agreement, which replaces the decision 24, was put into effect in Colombia by decree 1265 of July 10, 1987. The already mentioned decree 1265, presents, among the most important relevant aspects, the following:

- a. The foreign investment must be authorized by the National Planning Department, except when it is devoted to petroleum and natural gas exploitation. In this case, it must be authorized by the Ministry of Mines and Energy. Besides, this Ministry must issue a previous favorable concept for any foreign investment destined to the exploration and exploitation of minerals, mineral transformation, transportation and distribution of hydrocarbons.
- b. The enterprises localized in industrial free zones do not need an authorization of the DNP, either. These are ruled by the Law 109 of 1985.
- c. It is the job of the Exchange Office at Banco de la República (Bank of the Republic) to register the investments authorized by the DNP.
- d. For any foreign investment to be authorized, the DNP must follow the recommendations given by the National Board of Economic Policy, for the study of applications for the investment of foreign capital or substitution of investment.

The most important criteria that must be taken into consideration is the following:

1. Contribution of the investment to the level of employment of the country;
2. Net effect of the investment on the balance of payments;
3. Initial and future degree of utilization of national raw materials and parts or elements manufactured or with possibilities to be manufactured in the country.
4. Proportion between the imported capital and the needs of fixed investment and of jobs offered by the respective enterprise.
5. Entailment of national capitals or investors.
6. Degree of competence in the market of the respective production line.
7. Contribution to the process of integration of Latin America.

The DNP should issue a statement about the applications for foreign investment, within the forty five (45) working days following the presentation of the project, provided that no complementary documentation has been required within the fifteen (15) days after the project was submitted.

- e. The foreign investment may be established in every economic sector, except in public services, communication, television programming, distribution and exhibition of films, domestic transportation of passengers, and housing; areas which are reserved for the national investors.



BIBLIOTECA

- f. The presence or participation of foreign investment in aerial and maritime transportation of commercial character are ruled by the code of commerce and the international agreements in force. In any case, foreign participation is limited to the 40%. The foreign investment can be made in mercantile societies, constituted in the country, or in branches of foreign societies legally established in Colombia.
- g. The foreign investment can also be made to increase the capital of societies already existing in Colombia, or to purchase shares or quotas owned by national investors, provided that in this last event, the sale is made by public offer to national investors.
- h. The foreign companies that are obliged to transform themselves into mixed companies, may have their maximum term extended from 15 to 30 years. The contract of transformation may be signed at any moment, regardless of the date of constitution, and it is from that date that the 30 year period is counted. Only three years after the contract is signed, it must be demonstrated the existence of a minimum participation of 15% of the capital owned by the national investors.
- i. The participation of the national investor should be increased as follows:
- 30% ten years after the transformation contract is signed.
  - 45% after 20 years, and
  - 51% after 30 years.

The transformation contract may be finished at any time, upon request of the parties signing it.

- j. Regarding foreign investment coming from any country member of the Andean Group, the DNP should consider it as national, under the condition that it proves the subregional origin of the investment, and that it had been authorized by the country of origin. In any case, the investment can not be made in those economic areas reserved for national investors.
- k. Considering foreign investment in the financial area, it is approved for national or mixed financial entities, without possibility of changing into foreign companies.

The rights of foreign investors covered by the decree state that the registration of the investment gives right to send abroad the amount of invested capital and the annual profits which result from this foreign investment, within the percentages fixed by the National Board of Economic and Social Policy. It also considers the reinvestment of profits and the capitalization of surplus within the percentages and conditions fixed by the above mentioned board.

The treatment given to profits due to a foreign investment has some changes. The most important are:

1. The amount of capital that can be withdrawn from the registered value was extended from 20% to 25%.
2. The authorization to withdraw the 24% of the investments made in free zones is still in force.

Regarding the contracts about transference of technology and other aspects related to industrial property, the Royalties Committee may authorize



the payment of royalties from a foreign enterprise established in Colombia to the main office or any other branch abroad, when they are related to new technological contributions used to produce goods to be exported.

Considering the external credit, the decree rules that the foreign companies may accept all credit lines, except the long term promotion credit, except when this credit comes from lines granted by multinational entities.

Likewise, the decree grants the foreign companies the right to use the promotion mechanisms for exports under the same conditions stated for national or mixed companies, according to what has been internally stated regarding international trading companies.

All this reflects the importance that the Colombian Government places on foreign investment, as a complement for the national capital, in order to increase the resources and promote the economic development of the country.

Having analyzed these aspects, which we think are of greatest initial interest for you, we would like to give you a brief view of some other aspects which we have been asked to talk about.

Colombia is a young country. It was 33 years old during the 50s and now, it is over 57 years old. The death rate decreased in a 30%, along with the fertility rate, which today is only 1.5%. Today 25 of country's population is urban, contrary to the situation 30 years ago. The basic services have improved substantially, specially in aspects such as health, housing, communications, energy, trade and education.

Colombian society still has huge inequalities and suffers from high unemployment. But in no way it resembles the situation of despair, anarchy and violence that is seen in many other nations of the





## SOCIO-POLITICAL ASPECTS

Colombia is one of the oldest and most stable democracies in the Continent. It has continuously defended its democratic institutions in spite of huge assaults against them throughout the history. It would be useless to deny that "guerrillas" still insist with some 3.000 men to destroy them, but the country is constantly looking for a way of neutralizing them politically and military. The two traditional and greatly majoritary political parties are the Liberal and Conservative parties which, although having ideologic differences, agree in looking for solid ways to a peaceful solution. Programs such as the national plan for rehabilitation started during the last Conservative Government and is being continued by the present Liberal one; the definitive eradication of illiterates which we hope to do in 3 more years and the eradication of the absolute poverty, are, among others, the sample of our will to eliminate from our immediate future the facts of injustice and delayed development which some call "the objective cause of violence". In fact, Colombia has advanced greatly. For example, in terms of improvement of life expectancy, it was 53 years during the 50's and now, it is over 67 years. The death rate decreased in a 50%, along with the fertility rate, which today is only 1.5%. Today 2/3 of country's population is urban, contrary to the situation 30 years ago. The basic services have improved substantially, specially in aspects such as health, housing, communications, energy, roads and education.

Colombian society still has huge inequalities and suffers from high scarcities. But in no way it resembles the situation of despise, anarchy and violence that is seen in many other nations of the

Third World. On the contrary, by the year 2000, this nation might be in the way of becoming a young semiindustrialized country.

Colombian true image has been affected by unfair, painful and horrible phenomenae. The true Colombia is not the one of the drug smugglers, which are a small minority being fought against by all the people.

The true Colombia is the one that constantly defends its democracy, the one that holds one of the first three places in the Continent regarding economic growth without the evil aid of the drug money; the one that strictly honors its external debt payments and holds one of the lowest indexes of debt, unemployment and inflation in the Continent; the one that has managed with discipline and care its economy for a long time, thus maintaining its mining and non traditional exports well ahead of the traditional coffee exports, which even with the bonanza are now in the third place.

Industrious, kind, picturesque, peaceful. This is the nation that we are inviting you to visit and enjoy. The Bogotá Chamber of Commerce wants you to accompany us and to keep progressing, since as we just saw, there are also great business opportunities for you.



Cámara de Comercio de Bogotá  
1988

Producción Editorial:

Departamento de Producción

Mecanográfica

Departamento de Comunicaciones

Impresión: Cámara de Comercio  
de Bogotá.

Cra. 9a. No. 16-21

Bogotá, Colombia.

